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RECORDATION NO. 21438- **FILED**
AUG 17 '04 12-24 PM
SURFACE TRANSPORTATION BOARD

August 17, 2004

Recordation No. 21438-Q

Dear Mr. Williams:

On behalf of Flex Leasing I, LLC, I submit for filing and recording under 49 U.S.C. § 11301 (a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Memorandum of Supplement ("Supplement") dated as of August 17, 2004.

The parties to the enclosed Supplement are:

Flex Leasing I, LLC - LESSOR
Suite 730
221 Main Street
San Francisco, CA 94105

CSX Transportation, Inc. - LESSEE
J-220, Treasury Department
500 Water Street
Jacksonville, FL 32202

The said Supplement, among other things, acts to lease the equipment listed in Annex A thereto by Flex Leasing I, LLC as Lessor to the Lessee under the lease recorded under Recordation No. 21438 and the said Supplement should be recorded under the next available letter under Recordation No. 21438, which letter we believe to be "-Q."

The equipment covered by the instant Supplement is as identified in Annex A thereto, (copy attached), 94 coal hoppers, FLCX numbers.

A short summary of the Supplement to appear in the Surface Transportation Board Index is as follows:

"Lease of 94 coal hoppers, FLCX numbers, see Annex A."

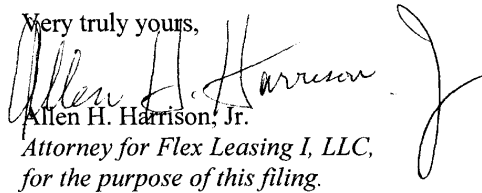
Please enter under this Recordation No. the following cross index reference:

"See Recordation No. 21888-EE."

Enclosed is a check in the amount of sixty dollars (\$60.00) in payment of the filing fee (\$30.00) and the cross indexing fee (\$30.00).

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,


Allen H. Harrison, Jr.
*Attorney for Flex Leasing I, LLC,
for the purpose of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Enclosures

BY HAND

8212-020

ANNEX A

Description of Equipment

Ninety Four (94) 4,200 C.F. aluminum bottom discharge coal hoppers, numbered:

FLCX 98001
FLCX 98006
FLCX 98008 through 98009 inclusive
FLCX 98011
FLCX 98015 through 98016 inclusive
FLCX 98024
FLCX 98028
FLCX 98032
FLCX 98034
FLCX 98045
FLCX 98054
FLCX 98061
FLCX 98064 through 98066 inclusive
FLCX 98070
FLCX 98073 through 98074 inclusive
FLCX 98076
FLCX 98081
FLCX 98084 through 98085 inclusive
FLCX 98089
FLCX 98091
FLCX 98097
FLCX 98108 through 98109 inclusive
FLCX 98115 through 98117 inclusive
FLCX 98122
FLCX 98125
FLCX 98127
FLCX 98131
FLCX 98133
FLCX 98136
FLCX 98140
FLCX 98144 through 98145 inclusive
FLCX 98147
FLCX 98150 through 98153 inclusive
FLCX 98156 through 98158 inclusive
FLCX 98160 through 98161 inclusive
FLCX 98165
FLCX 98168 through 98173 inclusive
FLCX 98176 through 98177 inclusive
FLCX 98179 through 98180 inclusive
FLCX 98183

FLCX 98185
FLCX 98188 through 98192 inclusive
FLCX 98194 through 98196 inclusive
FLCX 98198
FLCX 98202
FLCX 98210 through 98212 inclusive
FLCX 98217
FLCX 98226
FLCX 98228 through 98229 inclusive
FLCX 98232 through 98235 inclusive
FLCX 98244
FLCX 98246
FLCX 98248
FLCX 98252 through 98253 inclusive
FLCX 98256 through 98257 inclusive
FLCX 98261
FLCX 98264
FLCX 98271

[CSX]

AUG 17 '04

12-24 PM

MEMORANDUM OF SUPPLEMENT

SURFACE TRANSPORTATION BOARD

FLEX LEASING CORPORATION and FLEX LEASING I, LLC collectively

filed (i) that certain Memorandum of Lease with (a) the Surface Transportation Board (the "STB"), Recordation No. 21438, on May 28, 1998 and (b) the Registrar General of Canada (the "RGC") on the 29th day of May, A.D. 1998 at 2:55 p.m., (ii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-A, on August 31, 1998 at 2:45 p.m. and (b) the RGC on the 2nd day of September, A.D. 1998 at 1:20 p.m., (iii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-B, on December 11, 1998 at 2:58 p.m. and (b) the RGC on the 14th day of December, A.D. 1998 at 2:30 p.m., (iv) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-C, on February 4, 1999 at 3:15 p.m. and (b) the RGC on the 5th day of February, A.D. 1999 at 1:02 p.m., (v) that certain Memorandum of Partial Assignment of Lease with (a) the STB, Recordation No. 21438-D, on February 4, 1999 at 3:15 p.m. and (b) the RGC on the 5th day of February, A.D. 1999 at 1:11 p.m., (vi) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-E, on April 28, 1999 at 2:30 p.m. and (b) the RGC on the 29th day of April, A.D. 1999 at 1:10 p.m., (vii) that certain Memorandum of Partial Assignment with (a) the STB, Recordation No. 21438-F, on May 28, 1999 at 3:30 p.m. and (b) the RGC on the 31st day of May, A.D. 1999 at 2:18 p.m., (viii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-G, on May 28, 1999 at 3:30 p.m. and (b) the RGC on the 31st day of May, A.D. 1999 at 2:19 p.m., (ix) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-H, on June 30, 1999 at 2:30 p.m. and (b) the RGC on the 2nd day of July, A.D. 1999 at 1:52 p.m., (x) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-I, on January 27, 2000 at 3:25 p.m. and (b) the RGC on the 31st of January, A.D. 2000 at 1:41 p.m., (xi) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-J, on June 23, 2000 at 3:40 p.m. and (b) the RGC on the 27th of June, A.D. 2000 at 1:01 p.m., (xii) that certain Memorandum of Partial Termination of Lease with (a) the STB, Recordation No. 21438-K, on June 27, 2000 at 12:32 p.m. and (b) the RGC on the 28th of June, A.D. 2000 at 3:01 p.m., (xiii) that certain Memorandum of Partial Termination of Lease with (a) the STB, Recordation No. 21438-L on November 19, 2001 at 9:22 a.m. and (b) the RGC on the 20th of November, A.D. 2001 at 10:36 a.m., (xiv) that certain Memorandum of Partial Termination of Lease with (a) the STB, Recordation No. 21438-M on January 31, 2002 at 9:51 a.m. and (b) the RGC on the 1st day of February, A.D. 2002 at 11:15 a.m., (xv) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21438-N on September 20, 2002 at 2:43 p.m. and (b) the RGC on the 25th day of September, A.D. 2002 at 10:15 a.m., (xvi) that certain Memorandum of Partial Termination of Lease with (a) the STB, Recordation No. 21438-O on November 8, 2002 at 12:24 p.m. and (b) the RGC on the 12th day of November, A.D. 2002 at 2:00 p.m., and (xvii) that certain Memorandum of Partial Termination of Lease with (a) the STB, Recordation No. 21438-P on January 28, 2004 at 2:55 p.m. and (b) the RGC on the 3rd day of February, A.D. 2004 at 1:13 p.m., relating to the lease described below:

That certain lease (the "Lease"), dated as of May 28, 1998, between **FLEX LEASING CORPORATION**, a Delaware corporation ("Flex"), having its chief executive office at

221 Main Street, Suite 730, San Francisco, California 94105, and **CSX
TRANSPORTATION, INC.** ("Lessee"), having its chief executive office at 500 Water
Street, J-220, Treasury Department, Jacksonville, Florida 32202.

The new lessor, **FLEX LEASING I, LLC**, only as to the railcars listed on Annex
A attached hereto, and Lessee have added additional railcars to the lease and wish to
supplement the Memorandum of Lease.

Dated as of August 11, 2004

FLEX LEASING I, LLC

By: Janice M. Wickham
Name: Janice M. Wickham
Title: Vice President

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 11th day of August, 2004, personally came before me, Janice M.
Wickham, who, being by me duly sworn, says she is a Vice President of Flex Leasing I,
LLC and that said writing was signed on the date hereof by her on behalf of said
company by its authority duly given. The said Vice President acknowledged the
execution of the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 11th day of August, 2004.

SEAL

Richard D'Annunzio
Notary Public
My Commission Expires: _____

RICHARD D'ANNUNZIO
Notary Public, State of New York
No. 43-4693159
Qualified in Richmond County
Commission Expires March 30, 20 07

ANNEX A

Description of Equipment

Ninety Four (94) 4,200 C.F. aluminum bottom discharge coal hoppers, numbered:

FLCX 98001
FLCX 98006
FLCX 98008 through 98009 inclusive
FLCX 98011
FLCX 98015 through 98016 inclusive
FLCX 98024
FLCX 98028
FLCX 98032
FLCX 98034
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FLCX 98091
FLCX 98097
FLCX 98108 through 98109 inclusive
FLCX 98116 through 98117 inclusive
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FLCX 98125
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FLCX 98131
FLCX 98133
FLCX 98136
FLCX 98140
FLCX 98144 through 98145 inclusive
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FLCX 98228 through 98229 inclusive
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FLCX 98244
FLCX 98246
FLCX 98248
FLCX 98252 through 98253 inclusive
FLCX 98256 through 98257 inclusive
FLCX 98261
FLCX 98264
FLCX 98271

[CSX]